PROVINCE OF BRITISH COLUMBIA

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# Forty-Third Annual Report

of the Business Done in Pursuance of the

# Pension (Tea[illegible]ers) Act

YEAR ENDED DECEMBER 31

1983

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TO: The Honourable Robert G. Rogers,
Lieutenant-Governor of the Province of British Columbia

MAY IT PLEASE YOUR HONOUR:

The undersigned respectfully submits the Report of the business done in pursuance of the Pension (Teachers) Act during the fiscal year ended December 31, 1983.

JAMES R. CHABOT
Provincial Secretary and
Minister of Government Services

Office of the Provincial Secretary and
Minister of Government Services,
Victoria, British Columbia
February 11, 1985

The Honourable James R. Chabot
Provincial Secretary and
Minister of Government Services,
Victoria, British Columbia

Sir,

I have the honour to lay before you the Report of the business done in pursuance of the Pension (Teachers) Act during the fiscal year ended December 31, 1983.

Respectfully submitted,

John W. Cook
Commissioner of Teachers' Pensions

February 11, 1985

PENSION (TEACHERS) ACT

# ANNUAL REPORT

Report of the business done in pursuance of the Pension (Teachers) Act during the fiscal year ended December 31, 1983

Section 4 - Cost of living supplements totalling $11,721,720 paid during the year were charged to the Pension Account. These allowances are adjusted each January 1st and are related to the annual increase in the Consumer Price Index as at each previous September 30th, but may be limited by the availability of funds in the Inflation Adjustment Account to provide the capitalized value of the increases. For this purpose employee and employer contributions, each at the rate of 1.00% of salary, and interest income on funds attributed to the payment of pensions in excess of the rate assumed by the actuary are allocated to the Inflation Adjustment Account.

Sections 6, 7 and 10 - Contributions received from teachers totalled $67,957,959 made up as follows:

| | |
|---|---|
| Basic contributions | $ 57,115,938 |
| Inflation adjustment contributions | 10,027,718 |
| Voluntary contributions | 50,362 |
| Reinstatement | 188,768 |
| Contributions for approved periods of leave of absence | 199,150 |
| Contributions for approved military or other service | 376,023 |

As at December 31, 1983 there were 43,438 teachers with contributory credits in the Fund, made up as follows:

| | |
|---|---|
| Current contributors | |
| Teachers employed by school districts | 30,461 |
| Teachers employed other than by school districts | 157 |
| Open inactive accounts | |
| Teachers out of service | 11,958 |
| Teachers with deferred vested pension rights | 862 |

Section 8(1) - Employer contributions received from the Minister of Finance amounted to $94,227,871, in respect of basic, inflation adjustment contributions, and recognition of service contributions.

Section 8(3), (4) and (5) - Employer contributions received from the British Columbia Teachers' Federation and employers other than school districts for 118 teachers on loan, etc., amounted to $311,898.

Section 8(5) - Reimbursement to employers of Canada Pension Plan employer contributions paid by them in respect of employees to whom the Pension (Teachers) Act applies amounting to $9,196,841 were paid by the Minister of Finance.

Sections 11, 12, 15 and 16(1) - Superannuation allowances were granted in respect of 508 teachers as follows:

| | |
|---|---|
| Normal retirement age | 408 |
| Total and permanent disability | 27 |
| Death in service | 26 |
| Deferred | 47 |

For analysis and comparative statistics see Schedules 3, 4 and 5 appended.

Transfers totalling $477,141 were received from 1 reciprocal pension plan and 6 other plans in respect of 48 contributors upon grant of allowance and in respect of 8 contributors following transfer of service as follows:

| | | |
|---|---|---|
| Upon Grant of Allowance | | |
| Province of Alberta Teachers' Pensions Fund | 15 | $ 109,602 |
| Province of Manitoba Teachers' Pension Fund | 1 | 9,087 |
| Province of Ontario Teachers' Superannuation Fund | 4 | 44,305 |
| Province of Quebec Teachers' Superannuation Fund | 2 | 15,512 |
| Province of Saskatchewan Teachers' Pensions Fund | 26 | 178,864 |
| During Service | | |
| Government of Canada Public Service Pension Account | 7 | 118,813 |
| Public Service Superannuation Fund | 1 | 958 |

Transfers totalling $305,623 were made to 2 reciprocal pension plans and 4 other plans in respect of 13 contributors upon grant of allowance and in respect of 5 contributors following transfer of service as follows:

| | | |
|---|---|---|
| Upon Grant of Allowance | | |
| College Pension Fund | 2 | $ 11,721 |
| Public Service Superannuation Fund | 1 | 42,847 |
| Province of Alberta Teachers' Pensions Fund | 5 | 167,556 |
| Province of Manitoba Teachers' Pensions Fund | 2 | 23,836 |
| Province of Ontario Teachers' Pensions Fund | 3 | 36,279 |
| During Service | | |
| Government of Canada Public Service Pension Account | 5 | 23,384 |

Section 14(4) - The matching portion of medical premiums deducted from eligible recipients of a superannuation allowance was paid by the Minister of Finance.

Sections 16(5) and 17 - Refunds were granted in respect of 1,054 teachers and totalled $4,413,054 made up as follows:

| | | |
|---|---|---|
| Resignations | 977 | $ 4,269,936 |
| Death in service | 15 | 103,956 |
| Excess contributions on grant of allowance | 44 | 32,778 |
| Miscellaneous | 18 | 6,384 |

For analysis and comparative statistics see Schedules 3 and 4 appended.

Section 21 - Actuarial and administrative expenses paid from the Fund amounted to $847,233. In addition, $497,077 was paid to the Provincial Treasury for investment management services.

Section 26 - Long-term securities held by the trustee at December 31, 1983 amounted to $860,809,280, par value, as set out in Schedule 1 appended. Transactions during the year (par value) are summarized on the attached Schedule 2(a).

The average rate of return of long-term investments purchased during the year was 12.222%. The net earned rate of the Fund was 10.688%.

An Investment Committee, consisting of the Commissioner of Teachers' Pensions and the Comptroller, Superannuation Commission, together with representatives from the Ministry of Finance, and an observer from the B.C. Teachers' Federation, meets on a quarterly basis during the year and sets guidelines and policy under which investments may be purchased and sold.

During 1983, the Investment Committee continued the previous year's strategy of investing a major part of the new cash flow in the intermediate term bond market. During the year, the strategy maintained was one of investing 60% of the new cash flow in the intermediate bond market, and 40% in the 6-12 month sector of the money market. In all cases, these investments were in highly liquid instruments such as Government of Canada and Provincial bonds and government and bank paper in the money market.

The Superannuation Commission is responsible for cash management and advises the Provincial Treasury of funds available for investment.

The Provincial Treasury provides investment management services to the Pension Fund which includes investment management and safekeeping of securities. The charge for this service was $497,077.

Section 29 - An actuarial valuation of the assets and liabilities of the Fund is required to be made by an actuary from time to time at intervals of not more than five years. The most recent valuation was carried out as at December 31, 1980.

The valuation indicated an unfunded liability in respect of basic pension benefits of approximately $1,019,270,000 as of December 31, 1980. This represents an increase of $471,670,000 since December 31, 1977. The actuary stated that the plan "funded ratio" had decreased, but explained that this was due mainly to the inclusion of indexing costs for the first time and a change in the method of valuing assets. The actuary also stated that he did not see the increase in the unfunded liability as a threat to the continued payment of pensions to current and prospective pensioners nor to the financial health of the pension fund.

Section 37 - During the year the Teachers' Pensions Board held 3 meetings at which it dealt with some 8 cases in accordance with Board policies. Applications considered related to disability allowances and appeals under Section 6, Paragraph 12, B.C. Regulation 90/80.

John W. Cook, F.C.I.A.
Commissioner of Teachers' Pensions

Province of
British Columbia

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

# AUDITOR'S REPORT

To the Commissioner of Teachers' Pensions, and

To the Provincial Secretary and Minister of Government Services
Province of British Columbia:

I have examined the statement of financial position of the Teachers' Pensions Fund as at 31 December 1983 and the statement of changes in the fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at 31 December 1983 and the changes in the fund balance for the year then ended in accordance with the stated accounting policies as set out in note 2 to the financial statements applied, after giving retroactive effect to the changes in the method of accounting for investments as explained in note 3 to the financial statements, on a basis consistent with that of the preceding year.

Erma Morrison, P.C.A.
Auditor General

Victoria, British Columbia
18 July 1984

EXHIBIT A

# TEACHERS' PENSIONS FUND

## STATEMENT OF FINANCIAL POSITION

## AS AT DECEMBER 31, 1983

| | 1983 | 1982 |
|---|---|---|
| **ASSETS** | | |
| Cash | $ 12,581,025 | $ 5,646,187 |
| Contributions receivable | 8,547,800 | 6,442,446 |
| Accrued interest on investments | 35,184,401 | 25,720,398 |
| Investments (Note 2(b) and 3) | | |
| Short-term | 423,350,136 | 351,625,162 |
| Long-term (Note 4) | 823,993,337 | 711,974,977 |
| Deferred losses, less gains, on sale of investments (Note 5) | 2,660,842 | 1,350,449 |
| | $1,306,317,541 | $1,102,759,619 |
| **LIABILITY AND FUND BALANCE** | | |
| LIABILITY | | |
| Accounts payable | $ 1,302,272 | $ 3,248,813 |
| FUND BALANCE (Exhibit B) (Note 6) | | |
| Basic account | 1,220,836,636 | 1,036,264,176 |
| Inflation adjustment account | 84,178,633 | 63,246,630 |
| | 1,305,015,269 | 1,099,510,806 |
| | $1,306,317,541 | $1,102,759,619 |

The seven accompanying notes are an integral part of these financial statements.

APPROVED BY:

John W. Cook

John W. Cook, F.C.I.A., Superannuation Commissioner, Trustee

Victor Barwin

Victor Barwin, C.A., Comptroller, Superannuation Commission

EXHIBIT B

# TEACHERS' PENSIONS FUND

## STATEMENT OF CHANGES IN FUND BALANCE

## FOR THE YEAR ENDED DECEMBER 31, 1983

| | 1983 | 1982 |
|---|---|---|
| **FUND BALANCE INCREASED BY:** | | |
| Contributions: | | |
| Employees: | | |
| Basic | $ 57,115,938 | $ 57,922,051 |
| Inflation adjustment | 10,027,718 | 9,928,449 |
| Voluntary | 50,362 | 47,390 |
| Reinstatement | 188,768 | 154,283 |
| Leave of absence | 199,150 | 155,037 |
| Military or other service | 376,023 | 483,727 |
| | 67,957,959 | 68,690,937 |
| Employers: | | |
| Paid by the Province of British Columbia on behalf of school districts: | | |
| Basic | 83,855,852 | 84,427,464 |
| Inflation adjustment | 9,995,996 | 9,887,469 |
| Recognition of service | 376,023 | 483,727 |
| Contributions paid by other employers: | | |
| Basic | 280,176 | 356,889 |
| Inflation adjustment | 31,722 | 40,980 |
| | 94,539,769 | 95,196,529 |
| Transfers from other funds | 477,141 | 527,873 |
| Income from investments (Notes 2(b) and 3) | 122,017,937 | 112,916,628 |
| | 284,992,806 | 277,331,967 |
| **FUND BALANCE DECREASED BY:** | | |
| Superannuation allowance payments: | | |
| Contributory | 61,703,636 | 56,081,883 |
| Inflation adjustment supplements (Note 6) | 11,721,720 | 5,904,777 |
| | 73,425,356 | 61,986,660 |
| Refunds | 4,413,054 | 5,172,036 |
| Transfers to other funds | 305,623 | 378,977 |
| Actuarial and administration expenses | 847,233 | 933,435 |
| Investment management services | 497,077 | 389,667 |
| | 79,488,343 | 68,860,775 |
| NET INCREASE IN FUND BALANCE | 205,504,463 | 208,471,192 |
| FUND BALANCE AT BEGINNING OF YEAR AS RESTATED (NOTE 3) | 1,099,510,806 | 891,039,614 |
| FUND BALANCE AT END OF YEAR (Exhibit A) | $1,305,015,269 | $1,099,510,806 |

TEACHERS' PENSIONS FUND

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1983

1. DESCRIPTION OF THE TEACHERS' PENSIONS PLAN

a) General

The plan is a defined benefit pension plan, whereby benefits are not linked directly to contributions. The plan is open to all certificated teachers and to superintendents or assistant superintendents appointed by a board of school trustees in the British Columbia public school system.

b) Retirement Benefits

Members are eligible for unreduced benefits if they retire at age 55 with a minimum of 35 years contributory service and at age 60 with a minimum of 10 years contributory service. Reduced pensions are available at age 55 with a minimum of 10 years contributory service.

The plan provides a pension of 2% per year of service prior to age 65 up to a maximum of 70% of the average salary earned in the five highest earning years before retirement. At age 65, date of death, or disability there is a reduction in the formula as a result of the integration with the Canada Pension Plan. Reference should be made to the plan text for a more detailed description of the benefits.

c) Termination Benefits

A terminating employee may choose between leaving accumulated contributions on deposit or obtaining a refund. The refund includes interest credited. Employees leaving contributions on deposit are entitled to a deferred pension benefit if they have completed a minimum of 10 years contributory service.

d) Other Benefits

Disability and Survivor benefits are available under the plan.

2. SIGNIFICANT ACCOUNTING POLICIES

a) General Information

These financial statements show only the position of the Fund as at December 31, 1983 and the changes in Fund balance for the year then ended and do not purport to show the adequacy of the Fund to meet the obligations of the pension plan. The results of the latest actuarial valuation of the plan are described in Note 7 below.

b) Investment Valuation

Long-term investments include bonds issued or guaranteed by Canada, a Province or municipal authorities, deposits with chartered banks and other approved financial institutions purchased with terms in excess of one year, and a mortgage of approximately $1,800,000 insured by Canada Mortgage and Housing Corporation. They are carried at cost of acquisition adjusted as follows:

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Discounts and premiums on single maturity bonds are amortized over the remaining terms of the bonds.
(ii) Discounts on serial bonds are recognized as income when redemptions occur.

Gains and losses on disposition of long-term bonds are deferred and amortized on a straight line basis over the lesser of the remaining terms of the bonds or twenty years. The amortization is charged against income from investments.

Short-term investments consist of deposits with chartered banks and other approved financial institutions. They are carried at cost of acquisition.

3. CHANGE IN ACCOUNTING POLICIES

In the year ended December 31, 1982 and prior years, premiums on purchase and gains and losses on disposition of long-term bonds were written off at the date of the transaction. Premiums and deferred gains and losses are now amortized on the bases described in Note 2(b). This change in accounting policy has been applied retroactive to October 1, 1980, when the Inflation Adjustment Account was established for the financing of pension increases.

The December 31, 1982 comparative figures have been restated to reflect the change in policy. Accordingly, the Fund balance at January 1, 1982 and the net increase in Fund balance for the year ended December 31, 1982 have been increased by $410,959 and $1,134,508 respectively. As a result, the Fund balance at December 31, 1982 and the basic portion thereof, previously reported as $1,097,965,339 and $1,034,718,709 respectively have been increased to $1,099,510,806 and $1,036,264,176 respectively.

The effect of this change on the results for the year ended December 31, 1983 has been to increase the net increase in Fund balance by $2,438,973.

4. LONG-TERM INVESTMENTS

Long-term investments held at the end of the year are as follows:

| | 1983<br>$ | 1982<br>$ |
|---|---|---|
| Book Value | 823,993,337 | 711,974,977 |
| Par Value | 860,809,280 | 726,066,755 |
| Market Value | 711,656,351 | 606,671,907 |

4. LONG-TERM INVESTMENTS (Continued)

The difference between the book value and market value of the investments is not considered to be a permanent reduction of the Fund balance available for payment of plan benefits and therefore has not been provided for as at December 31, 1983, since it is generally expected that Fund investments will be held to maturity.

5. DEFERRED LOSSES LESS GAINS ON SALE OF INVESTMENTS

| | 1983<br>$ | 1982<br>$ |
|---|---|---|
| Balance at beginning of year | 1,350,449 | 410,959 |
| Net losses on sale of investments during the year | 1,317,748 | 1,017,079 |
| | 2,668,197 | 1,428,038 |
| Amortization for the year | 7,355 | 77,589 |
| Balance at end of year | 2,660,842 | 1,350,449 |

6. FUND BALANCE

The Fund balance is made up of a Basic Account and an Inflation Adjustment Account. The Inflation Adjustment Account was created in 1980 to finance the payment of cost of living supplementary allowances. These allowances are adjusted each January 1st and are related to the annual increase in the Consumer Price Index as at each previous September 30th, but may be limited by the availability of funds in the Inflation Adjustment Account to provide the capitalized value of the increases.

The Inflation Adjustment Account includes contributions by employees and employers each at the rate of 1% of salary, the interest income therefrom and the interest income on funds attributed to the payment of pensions in excess of the rate assumed by the actuary. The Inflation Adjustment Account is decreased by refunds to former contributors and transfers to the Basic Account of the capitalized value of supplementary allowances granted. The Basic Account consists of all other assets of the Fund.

During 1983 excess interest earnings of $30,471,688 ($32,421,338 in 1982) were transferred from the Basic Account to the Inflation Adjustment Account. Effective January 1, 1984, supplementary allowances at the rate of 5.0% (10.355% in 1983) of the basic life time portion of superannuation allowances in force were granted. The capitalized value of these supplementary allowances was $21,054,195 ($31,188,789 in 1983), which amount was transferred from the Inflation Adjustment Account to the Basic Account.

## 7. ACTUARIAL VALUATION

According to the Pension (Teachers) Act, an actuarial valuation of the assets and liabilities of the Fund is required to be made by an Actuary from time to time at intervals of not more than five years. The most recent valuation was carried out as at December 31, 1980. The actuary advised that the unfunded liability would be $1,019,270,000 for basic pension benefits. This liability includes the capitalized value of pension indexing costs granted up to and including January 1, 1981 which were not previously included in the valuations. This represents an increase of $471,670,000 since December 31, 1977. The actuary stated that the plan "funded ratio" had decreased, but explained that this was due mainly to the inclusion of indexing costs for the first time and a change in the method of valuing assets. The actuary also stated that he did not see the increase in the unfunded liability as a threat to the continued payment of pensions to current and prospective pensioners nor to the financial health of the pension fund.

The liabilities of the Fund are calculated under the "entry age normal" actuarial method. The future contributions required have been determined under the "level contribution funding" method. This method expresses employer contributions as the constant percentage of future payrolls that, together with future employee contributions and investment earnings, will finance the benefits for all new entrants to the plan to the extent that the unfunded liability is maintained as a constant percentage of future payrolls.

The key actuarial assumptions made in the valuation are as follows -

| | | |
|---|---|---|
| Salary growth | - | 12.8% for 1982 and 5-1/2% per annum |
| Interest on fund assets | - | 6-1/2% per annum |
| Mortality - active employees | - | 1971 Group Annuity Mortality table- Males 55% Females 70% |
| - other retired | - | Progressive Annuity table rated down for - Males 1 year Females 2 years |
| Withdrawal | - | Graduated select experience, using a three year select period - Males 110% of select rates 100% of ultimate rates Females 95% of select rates 85% of ultimate rates Ultimate experience rates reduced to that used for inactive employees |
| Retirement | - | Select and ultimate experience using a modified three-year select period |
| Retirement age | - | 55 - 65 |

TEACHERS' PENSIONS FUND

SCHEDULE 1

LONG-TERM INVESTMENTS HELD AS AT DECEMBER 31, 1983

| | Par Value | Book Value | Market Value |
|---|---|---|---|
| Government of Canada | $ 65,964,000 | $ 66,062,436 | $ 66,377,803 |
| Zero-Based Canada Coupons | 50,622,500 | 21,008,899 | 20,535,431 |
| Government of Canada | | | |
| Federal Business Development Bank | 6,000,000 | 5,988,822 | 6,390,000 |
| Export Development Corporation | 13,000,000 | 12,961,326 | 12,512,500 |
| Province of British Columbia | 10,300,000 | 10,237,887 | 10,261,250 |
| Province of British Columbia Guaranty | | | |
| B. C. Housing and Development Bond | 2,200,000 | 2,200,000 | 2,211,000 |
| B. C. Place Note | 13,000,000 | 13,000,000 | 12,577,500 |
| B. C. Hydro and Power Authority | 465,387,000 | 461,511,034 | 370,884,595 |
| Zero-Based B. C. Hydro Coupons | 4,350,000 | 1,943,945 | 1,938,015 |
| B. C. Electric Company | 653,000 | 648,402 | 555,204 |
| B. C. Railway Company | 78,965,000 | 78,727,954 | 62,297,200 |
| B. C. Educational Institutions Capital Financing Authority | 3,747,000 | 3,726,422 | 3,447,240 |
| B. C. School Districts Capital Financing Authority Serials | 508,000 | 504,952 | 486,728 |
| B. C. School Districts Capital Financing Authority | 32,127,000 | 31,980,988 | 28,332,980 |
| B. C. Irrigation Districts Serials | 72,000 | 70,329 | 60,636 |
| B. C. Irrigation Districts | 715,500 | 714,939 | 516,910 |
| B. C. Improvement Districts Serials | 435,000 | 430,867 | 374,460 |
| Nechako Improvement Districts | 984,000 | 979,591 | 768,265 |
| B. C. Waterworks Districts | 94,000 | 93,607 | 72,992 |
| B. C. Hospital Improvement Districts Serials | 108,000 | 107,147 | 102,020 |
| Greater Vancouver Sewerage and Drainage District Serial | 159,000 | 157,434 | 149,216 |
| Greater Vancouver Sewerage and Drainage District | 980,000 | 979,968 | 896,700 |
| Bancorp - Teachers' Mortgage | 1,834,828 | 1,834,841 | 1,435,753 |
| Municipal Finance Authority of B. C. | 8,000,000 | 7,985,516 | 9,000,000 |
| Province of Alberta Guaranty | | | |
| Alberta Government Telephone | 5,000,000 | 5,455,016 | 5,437,500 |
| Province of Manitoba | 6,500,000 | 6,568,807 | 6,402,500 |
| Province of New Brunswick | 9,500,000 | 9,458,065 | 10,091,250 |
| Province of New Brunswick Guaranty | | | |
| New Brunswick Electric | 4,000,000 | 4,030,408 | 3,890,000 |
| Province of Nova Scotia | 4,745,000 | 4,679,246 | 5,115,036 |
| Province of Nova Scotia Guaranty | | | |
| Nova Scotia Power | 794,000 | 779,347 | 604,432 |
| Province of Ontario Guaranty | | | |
| Ontario Hydro | 14,020,000 | 13,690,220 | 12,042,293 |
| Province of Quebec | 13,900,000 | 13,560,612 | 14,507,670 |

TEACHERS' PENSIONS FUND

SCHEDULE 1

LONG-TERM INVESTMENTS HELD AS AT DECEMBER 31, 1983

| | Par Value | Book Value | Market Value |
|---|---|---|---|
| Province of Quebec Guaranty<br>Quebec Hydro | 16,000,000 | 15,851,674 | 15,700,000 |
| Province of Saskatchewan | 19,605,000 | 19,546,797 | 19,127,198 |
| Term Deposits<br>Royal Bank of Canada Swap Deposits | 5,039,452 | 5,039,452 | 5,070,949 |
| Eurobank Guaranty<br>World Bank Note | 1,500,000 | 1,476,387 | 1,483,125 |
| | $ 860,809,280 | $ 823,993,337 | $ 711,656,351 |
| | | (Exhibit A) | |
| 1982 Comparisons | $ 726,066,755 | $ 711,974,977 | $ 606,671,907 |
| | | (Exhibit A) | |

TEACHERS' PENSIONS FUND

SCHEDULE 2(a)

INVESTMENT INTEREST AND TRANSACTIONS

COMPARATIVE STATISTICS, JANUARY 1, 1974 TO DECEMBER 31, 1983

| | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 |
|---|---|---|---|---|---|---|---|---|---|---|
| | % | % | % | % | % | % | % | % | % | % |
| NET EARNED RATE OF THE FUND | 6.848 | 7.108 | 7.688 | 7.137 | 8.088 | 8.870 | 9.218 | 11.435[1] | 11.637[1] | 10.688 |
| AVERAGE RATE OF RETURN OF LONG-TERM INVESTMENTS PURCHASED IN YEAR | 9.557 | 10.161 | 9.475 | 9.399 | 9.826 | 10.407 | 12.480 | 17.140 | 13.956 | 12.222 |
| | $ (000) | $ (000) | $ (000) | $ (000) | $ (000) | $ (000) | $ (000) | $ (000) | $ (000) | $ (000) |
| INCOME FROM INVESTMENTS | 17,185 | 20,545 | 26,048 | 28,705 | 37,777 | 48,770 | 59,417 | 88,570[1] | 112,917[1] | 122,018 |
| LONG-TERM INVESTMENT TRANSACTIONS | | | | | | | | | | |
| Purchases (Par Value) | 24,792 | 49,792 | 61,628 | 85,032 | 89,374 | 71,400 | 73,761 | 975 | 100,384 | 179,009 |
| Maturities & Sales (Par Value) | 3,206 | 10,671 | 3,051 | 17,244 | 15,990 | 4,247 | 9,335 | 2,364 | 3,326 | 44,267 |
| Net Increase (Decrease) | 21,586 | 39,121 | 58,577 | 67,788 | 73,384 | 67,153 | 64,426 | (1,389) | 97,058 | 134,742 |
| SHORT-TERM Increase (Decrease) | - | 1,560 | 1,805 | (4,092) | (2,401) | 25,146 | 42,319[2] | 158,832[2] | 121,234[2] | 71,725 |
| FUND BALANCE | 274,480 | 321,941 | 384,078 | 446,208 | 528,342 | 618,867 | 721,154 | 891,040 | 1,099,511 | 1,305,015 |

(1) Restated to reflect change in accounting policy; see Notes to Financial Statements, Item #3.
(2) Restated to include both basic and inflation accounts.

TEACHERS' PENSIONS FUND

SCHEDULE 2(b)

INFLATION ADJUSTMENT ACCOUNT

STATEMENT OF CHANGES IN ACCOUNT BALANCE

FOR THE YEAR ENDED DECEMBER 31, 1983

| | 1983 | 1982 |
|---|---|---|
| ACCOUNT BALANCE INCREASED BY: | | |
| Contributions | | |
| Employee | $ 10,027,718 | $ 9,928,449 |
| Employer | 10,027,718 | 9,928,449 |
| Transfers from other funds | 6,390 | 3,152 |
| Investment income | 3,866,980 | 2,771,803 |
| Excess interest transferred from Basic Account | 29,413,446 | 32,421,338 |
| | 53,342,252 | 55,053,191 |
| ACCOUNT BALANCE DECREASED BY: | | |
| Refunds | 281,611 | 202,374 |
| Transfers to other funds | 2,516 | 3,449 |
| Allowance increase present value transfers to Basic Account | 32,126,122 | 34,768,963 |
| | 32,410,249 | 34,974,786 |
| NET INCREASE DURING YEAR | 20,932,003 | 20,078,405 |
| ACCOUNT BALANCE AT BEGINNING OF YEAR | 63,246,630 | 43,168,225 |
| ACCOUNT BALANCE AT END OF YEAR | $ 84,178,633 | $ 63,246,630 |

TEACHERS' PENSIONS FUND

SCHEDULE 3

MAIN COMPARATIVE STATISTICS, JANUARY 1, 1974 TO DECEMBER 31, 1983

| Fiscal Year | Number of Contributors at end of Fiscal Year | Contributions | | Employer C.P.P. Abatements | Withdrawals | | Allowances | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Employer | Employees | | No. | Amount Refunded | No. Granted during year | Deaths and expirations during year | No. in force at end of year | Amount Paid |
| 1974 | 28,368<br>8,017[1] | 13,151,247<br>2,679,472[2] | 19,088,332 | 3,089,240 | 1,277 | 2,213,370 | 389 | 51 | 3,219 | 13,295,741<br>622,365[3] |
| 1975 | 29,419<br>9,111[1] | 23,493,046<br>4,913,519[2] | 23,834,451 | 3,694,477 | 1,251 | 2,213,798 | 440 | 57 | 3,602 | 15,562,709<br>2,746,850[3] |
| 1976 | 29,589<br>9,732[1] | 28,255,202<br>9,999,131[2] | 28,701,118 | 4,165,279 | 1,562 | 2,854,105 | 445 | 81 | 3,966 | 18,429,605<br>4,726,410[3] |
| 1977 | 30,184<br>10,477[1] | 31,562,469<br>5,938,296[2] | 31,973,454 | 4,682,756 | 1,571 | 3,323,024 | 357 | 78 | 4,245 | 20,947,028<br>6,096,645[3] |
| 1978 | 30,126<br>11,130[1] | 36,547,619<br>11,930,910[2] | 36,924,898 | 5,203,343 | 1,406 | 3,283,610 | 390 | 85 | 4,550 | 23,751,937<br>7,973,721[3] |
| 1979 | 30,289<br>11,607[1] | 40,468,175<br>8,450,602[2] | 40,874,490 | 5,826,388 | 1,371 | 3,826,349 | 366 | 86 | 4,830 | 26,495,717<br>10,678,472[3] |
| 1980 | 31,401<br>11,488[1] | 52,240,233 | 46,825,556 | 6,123,124 | 1,539 | 5,344,518 | 333 | 39 | 5,124 | 29,557,753<br>13,733,224[3] |
| 1981 | 31,906<br>12,118[1] | 80,138,571 | 57,640,823 | 7,891,353[5] | 1,661 | 6,759,399 | 415 | 95 | 5,444 | 33,523,860<br>16,597,325[3] |
| 1982 | 30,907<br>12,829[1] | 95,196,529 | 68,690,937 | 8,889,829[5] | 1,267 | 5,172,036 | 515 | 94 | 5,865 | 56,081,883<br>5,904,777[4] |
| 1983 | 30,618<br>12,820[1] | 94,539,769 | 67,957,959 | 9,196,841[5] | 1,054 | 4,413,054 | 508 | 104 | 6,269 | 61,703,636<br>11,721,720[4] |

1. Non-active open accounts of teachers out of service.
2. Province of British Columbia re deficit in Employer Reserve Account.
3. Cost of living supplements, effective July 1, 1974 to December 31, 1981; combined with basic pensions January 1, 1982. Financing by additional employee and employer contributions commenced May 1, 1976 and terminated September 30, 1980. (Note 4)
4. Inflation adjustment supplements, effective January 1, 1982. Financed by additional employee and employer inflation account contributions effective October 1, 1980.
5. Reimbursed by Minister of Finance commencing October 1, 1980.

TEACHERS' PENSIONS FUND
SCHEDULE 4
COMPARATIVE STATISTICS, JANUARY 1, 1974 to DECEMBER 31, 1983
Subdivided According to Sex of Contributor

| Fiscal Year | Number of Contributors | | Number of Refunds Granted | | Number of Allowances Granted (2) | | Number of Deaths and Expirations (2) | | Number of Allowances in Force at End of Year (2) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female |
| 1974 | 12,965 | 15,403 | 359 | 918 | 147 | 242 | 21 | 30 | 1,183 | 2,036 |
| Non-active[1] | 1,845 | 6,172 | - | - | - | - | - | - | - | - |
| 1975 | 13,665 | 15,754 | 391 | 860 | 166 | 274 | 18 | 39 | 1,331 | 2,271 |
| Non-active[1] | 2,044 | 7,067 | - | - | - | - | - | - | - | - |
| 1976 | 13,884 | 15,705 | 445 | 1,117 | 187 | 258 | 19 | 62 | 1,499 | 2,467 |
| Non-active[1] | 2,357 | 7,746 | - | - | - | - | - | - | - | - |
| 1977 | 14,182 | 16,002 | 469 | 1,102 | 134 | 223 | 30 | 48 | 1,603 | 2,642 |
| Non-active[1] | 2,422 | 8,055 | - | - | - | - | - | - | - | - |
| 1978 | 14,263 | 15,863 | 392 | 1,014 | 164 | 226 | 38 | 47 | 1,729 | 2,821 |
| Non-active[1] | 2,584 | 8,546 | - | - | - | - | - | - | - | - |
| 1979 | 14,251 | 16,038 | 422 | 975 | 160 | 206 | 24 | 62 | 1,865 | 2,965 |
| Non-active[1] | 2,689 | 8,918 | - | - | - | - | - | - | - | - |
| 1980 | 14,602 | 16,799 | 467 | 1,072 | 155 | 178 | 10 | 29 | 2,010 | 3,114 |
| Non-active[1] | 2,898 | 8,590 | - | - | - | - | - | - | - | - |
| 1981 | 14,634 | 17,272 | 458 | 1,203 | 202 | 213 | 29 | 66 | 2,183 | 3,261 |
| Non-active[1] | 3,113 | 9,005 | - | - | - | - | - | - | - | - |
| 1982 | 14,370 | 16,537 | 375 | 892 | 276 | 239 | 31 | 63 | 2,428 | 3,437 |
| Non-active[1] | 3,418 | 9,411 | - | - | - | - | - | - | - | - |
| 1983 | 14,264 | 16,354 | 333 | 721 | 262 | 246 | 14 | 90 | 2,676 | 3,593 |
| Non-active[1] | 3,297 | 9,523 | - | - | - | - | - | - | - | - |

1. Non-active open accounts of teachers out of service.
2. Comparative figures for 1979 and subsequent years have been restated to show allowances by contributor.

TEACHERS' PENSIONS FUND
SCHEDULE 5
SUMMARY OF NORMAL ALLOWANCES GRANTED DURING 1983

SUBDIVIDED BY YEARS OF SERVICE AND VALUE OF ALLOWANCE

| Years of Service | Number of Allowances Granted | Average Salary During Last Five Years | Average Annual Allowance on Single Life Plan | Average Value of Allowance | Average Teachers' Share | Average Government Share |
|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | $ |
| Under 10 years | 8 | 26,748 | 2,333 | 25,704 | 8,672 | 17,032 |
| 10 - 14 | 49 | 28,776 | 5,730 | 64,845 | 19,955 | 44,890 |
| 15 - 19 | 65 | 29,268 | 7,748 | 90,599 | 26,975 | 63,624 |
| 20 - 24 | 81 | 29,580 | 10,960 | 122,516 | 34,693 | 87,823 |
| 25 - 29 | 74 | 31,572 | 13,965 | 153,931 | 43,728 | 110,203 |
| 30 - 34 | 57 | 34,932 | 19,468 | 213,687 | 56,679 | 157,008 |
| 35 - 39 | 73 | 34,452 | 21,881 | 243,178 | 57,501 | 185,677 |
| 40 & over | 1 | 30,804 | 19,530 | 198,152 | 55,309 | 142,843 |
| AVERAGE OF NORMAL ALLOWANCES GRANTED DURING YEAR: | | | | | | |
| 25 | 61 (Age) | 31,360 | 13,360 | 148,816 | 40,025 | 108,791 |
| TOTAL VALUE OF NORMAL ALLOWANCES GRANTED DURING YEAR: | | | | | | |
| | 408 | 12,795,024 | 5,450,781 | 60,716,971 | 16,330,108 | 44,386,863 |

SUBDIVIDED BY YEARS OF SERVICE AND AGE AT RETIREMENT

| Years of Service | Age at Retirement | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | Total | % |
| Under 10 | - | - | 1 | - | - | 1 | 2 | 1 | - | - | 4 | 9 | 2 |
| 10 - 14 | 1 | 2 | 2 | 8 | 3 | 7 | 3 | 5 | 3 | 2 | 12 | 48 | 12 |
| 15 - 19 | 8 | 4 | 3 | 2 | 5 | 13 | 3 | 6 | 2 | 5 | 12 | 63 | 16 |
| 20 - 24 | 7 | 5 | 2 | 9 | 11 | 12 | 8 | 7 | 1 | 6 | 13 | 81 | 20 |
| 25 - 29 | 8 | 4 | 12 | 4 | 7 | 7 | 9 | 7 | 5 | 3 | 11 | 77 | 19 |
| 30 - 34 | 1 | 5 | 8 | 5 | 6 | 13 | 7 | 2 | 5 | 1 | 5 | 58 | 14 |
| 35 - 39 | 5 | 9 | 10 | 7 | 14 | 5 | 5 | 3 | 5 | 2 | 6 | 71 | 17 |
| 40 & over | - | - | - | - | - | - | - | - | - | - | 1 | 1 | - |
| | 30 | 29 | 38 | 35 | 46 | 58 | 37 | 31 | 21 | 19 | 64 | 408 | |
| Percent | 7 | 7 | 9 | 9 | 11 | 14 | 9 | 8 | 5 | 5 | 16 | | 100 |

ALLOWANCES OTHER THAN NORMAL GRANTED DURING 1983

| Number of Allowances Granted | Death | Disability | Deferred |
|---|---|---|---|
| 100 | 26 | 27 | 47 |

TEACHERS' PENSIONS FUND

APPROVED AND RECIPROCAL EMPLOYERS

SCHEDULE 6

AS AT DECEMBER 31, 1983

## APPROVED EMPLOYERS

Section 11(2) provides for the granting of a deferred allowance to a contributor who within three years of his last contribution to the Fund enters the service of one or more of the following employers and becomes entitled to an allowance -

| | Effective Date |
|---|---|
| An employer to whom the Teachers' Retirement Fund Act (Alberta) applies | November 22, 1971 |
| An employer to whom the Teachers' Pensions Act (Manitoba) applies | November 22, 1971 |
| An employer to whom the Teachers' Superannuation Act (Ontario) applies | November 22, 1971 |
| An employer to whom the Teachers' Pensions Plan (Quebec) applies | November 22, 1971 |
| An employer to whom the Teachers' Superannuation Fund Act (Saskatchewan) applies | November 22, 1971 |
| Acadia University | July 1, 1973 |
| British Columbia Hydro and Power Authority | October 30, 1968 |
| Government of Canada | March 27, 1961 |
| Simon Fraser University | April 1, 1966 |
| University of British Columbia | March 27, 1961 |
| University of Victoria | March 27, 1961 |

## SPECIAL AGREEMENT WITH APPROVED EMPLOYER

Section 11(10) provides for the transfer of funds in respect of an employee who within three months of termination of his service transfers to or from the service of the following approved employer -

| | |
|---|---|
| Government of Canada | June 22, 1973 |

## RECIPROCAL EMPLOYERS

Section 12(1) provides for the method of determining pensionable service and highest average salary together with pro-rata sharing of the present value of the allowance and transfer of funds in respect of an employee who within three years of termination of his service transfers to or from the service of the following British Columbia reciprocal employers -

| | |
|---|---|
| An employer under the Pension (Public Service) Act | July 1, 1973 |
| An employer under the Pension (College) Act | July 1, 1973 |
| An employer under the Pension (Municipal) Act | July 1, 1973 |
| Workers' Compensation Board | June 5, 1974 |

TEACHERS' PENSIONS FUND

APPROVED LONG TERM DISABILITY

SALARY CONTINUANCE PLANS

SCHEDULE 7 (Page 1 of 2)

AS AT DECEMBER 31, 1983

British Columbia Teachers' Federation -
Covering teachers employed by -

| School District | Effective Date |
|---|---|
| Abbotsford #34 | July 3, 1973 |
| Agassiz-Harrison #76 | January 1, 1977 |
| Alberni #70 | July 3, 1973 |
| Armstrong-Spallumcheen #21 | July 3, 1973 |
| Arrow Lakes #10 | May 1, 1982 |
| B.C.T.F. | July 3, 1973 |
| Burns Lake #55 | July 3, 1973 |
| Campbell River #72 | July 3, 1973 |
| Cariboo-Chilcotin #27 | July 3, 1973 |
| Castlegar #9 | January 1, 1976 |
| Central Okanagan #23 | July 3, 1973 |
| Chilliwack #33 | July 3, 1973 |
| Courtenay #71 | July 3, 1973 |
| Cowichan #65 | July 3, 1973 |
| Cranbrook #2 | January 1, 1977 |
| Creston-Kaslo #86 | July 3, 1973 |
| Delta #37 | July 3, 1973 |
| Fort Nelson #81 | March 1, 1975 |
| Grand Forks #12 | July 3, 1973 |
| Greater Victoria #61 | July 3, 1973 |
| Gulf Islands #64 | June 1, 1976 |
| Hope #32 | July 3, 1973 |
| Howe Sound #48 | July 3, 1973 |
| Kamloops #24 | July 3, 1973 |
| Keremeos #16 | February 1, 1978 |
| Kettle Valley #13 | July 3, 1973 |
| Kimberley #3 | July 3, 1973 |
| Ladysmith #67 | July 3, 1973 |
| Lake Cowichan #66 | July 3, 1973 |
| Langley #35 | July 3, 1973 |
| Lillooet #29 | July 3, 1973 |
| Maple Ridge #42 | July 3, 1973 |
| Mission #75 | July 3, 1973 |
| Nanaimo #68 | July 3, 1973 |
| Nechako #56 | July 3, 1973 |
| Nelson #7 | July 3, 1973 |
| New Westminster #40 | October 1, 1978 |
| North Thompson #26 | February 1, 1978 |
| North Vancouver #44 | July 3, 1973 |
| Peace River North #60 | June 1, 1977 |
| Peace River South #59 | February 1, 1975 |
| Penticton #15 | July 3, 1973 |
| Powell River #47 | July 3, 1973 |
| Prince George #57 | July 3, 1973 |
| Prince Rupert #52 | July 3, 1973 |
| Princeton #17 | February 1, 1976 |
| Qualicum #69 | July 3, 1973 |
| Queen Charlotte #50 | July 3, 1973 |
| Quesnel #28 | July 3, 1973 |

TEACHERS' PENSIONS FUND

APPROVED LONG TERM DISABILITY

SALARY CONTINUANCE PLANS

SCHEDULE 7 (Page 2 of 2)

AS AT DECEMBER 31, 1983

| School District | Effective Date |
|---|---|
| Richmond #38 | July 3, 1973 |
| Saanich #63 | July 3, 1973 |
| Sechelt #46 | July 3, 1973 |
| Shuswap #89 | July 3, 1973 |
| Smithers #54 | July 3, 1973 |
| Sooke #62 | September 1, 1976 |
| South Cariboo #30 | July 3, 1973 |
| Stikine #87 | July 3, 1973 |
| Summerland #77 | July 3, 1973 |
| Surrey #36 | November 1, 1982 |
| Terrace #88 | July 3, 1973 |
| Trail #11 | July 3, 1973 |
| Vancouver #39 | |
| Administrators | July 3, 1973 |
| Co-ordinators | July 3, 1973 |
| Elementary | July 3, 1973 |
| Secondary | July 3, 1974 |
| Vancouver Island North #85 | July 3, 1973 |
| Vancouver Island West #84 | June 1, 1981 |
| Vernon #22 | July 3, 1973 |
| Windermere #4 | July 3, 1973 |
| West Vancouver #45 | June 14, 1976 (1.4.83 under BCTF) |
| Burnaby Teachers' Association | October 22, 1981 |
| Coquitlam School District #43 | March 24, 1975 |
| Fernie School District #1 | June 18, 1976 |
| Golden School District #18 | July 29, 1976 |
| Kitimat School District #80 | March 5, 1974 |
| Revelstoke Teachers' Association | March 13, 1975 |
| Southern Okanagan School District #14 | July 3, 1973 |

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